



**IDAHO HEALTH INSURANCE EXCHANGE
DBA YOUR HEALTH IDAHO**

**YOUR HEALTH IDAHO BOARD
MINUTES
FRIDAY, JUNE 15, 2018**

1. BOARD MEMBERS PRESENT

- Mr. Stephen Weeg, Chair
- Mr. Kevin Settles, Treasurer
- Mr. Hyatt Erstad, Secretary
- Mr. Tom Shores
- Ms. Karen Vauk (via teleconference)
- Mr. Dave Jeppesen
- Mr. Fernando Veloz
- Dr. John Livingston
- Ms. Margaret Henbest
- Mr. Jerry Edgington
- Ms. Janice Fulkerson
- Mr. Wes Trexler for Director Dean Cameron
- Director Russ Barron

2. OTHERS PRESENT

- Mr. Pat Kelly, Your Health Idaho
- Mr. Kevin Reddish, Your Health Idaho
- Mr. Jeff Hull, Your Health Idaho
- Mr. Layne Bell, Your Health Idaho
- Ms. Alanee DeRouen, Your Health Idaho
- Ms. Robin Donovan, Your Health Idaho
- Ms. Meghan McMartin, Your Health Idaho
- Ms. Cheryl Fulton, Your Health Idaho
- Mr. Mike Stoddard, Hawley Troxell
- Ms. Tresa Ball, HR Precision
- Ms. Lori Wolff, Department of Health & Welfare
- Mr. Mitch Toryanski, Regence Blue Shield
- Ms. Marni Packard, Select Health
- Ms. Tammy Perkins, Office of the Governor
- Ms. Emily Patchin, Risch Pisca
- Ms. Sherry Jansen, Blue Cross of Idaho
- Mr. Norm Varin, Pacific Source Health Plans

3. CALL TO ORDER

Following proper notice in accordance with Idaho Code §74-204, the Board of Directors meeting of the Idaho Health Insurance Exchange (Exchange) was called to order by Mr. Stephen Weeg (Chair), at 9:05 a.m., Friday, June 15, 2018, at the offices of Hawley Troxell Ennis & Hawley, 877 W. Main Street, Suite 1000, Boise, Idaho. In accordance with Idaho Code §74-203 (1), the

meeting was held in an open public forum and was streamed in audio format on the Idaho Public Television web site.

4. ROLL CALL

Mr. Erstad called roll and determined that The Chair, Mr. Settles, Mr. Shores, Ms. Vauk (via teleconference), Mr. Jeppesen, Mr. Veloz, Dr. Livingston, Ms. Henbest, Mr. Edgington, Ms. Fulkerson, Mr. Trexler (for Director Cameron), and Director Barron were present, resulting in a quorum. Dr. Rusche, Rep. Packer, Rep. Erpelding, and Senator Rice were absent.

5. PUBLIC COMMENT PERIOD

The Chair asked for public comments, and there were none.

6. PRIOR MEETING MINUTES

Motion: Mr. Edgington moved to approve the meeting minutes from the March 16, 2017, Board meeting as presented today. **Second:** Mr. Shores. **The motion carried.**

7. REVIEW OF AGENDA

There were no changes made to the agenda.

8. VICE-CHAIR APPOINTMENT

Chairman Weeg

Motion: Chairman Weeg moved that the Board accept the appointment of Karen Vauk as Vice-Chair of the Board of Directors. **Second:** Mr. Erstad. **The motion carried.**

9. MARKETPLACE

Mr. Edgington, Chair of the Marketplace Committee, said Marketplace Committee reviewed enrollment and effectuation rates from January to April and we were pleased to see enrollments are holding steady around 95-thousand. We spent time discussing lessons learned and the process improvements that came out of the Open Enrollment summit in April. There has been significant focus on improving the QLE/SEP validation process and mitigating post-OE appeals. The training program for new and seasonal team members is currently under review and will be simplified.

Community outreach strategies are being finalized for the fall with a focus on engagement outside of the Treasure Valley. Events are currently planned in Coeur d'Alene and Idaho Falls with more to come. In-person training dates for Consumer Connectors have been finalized and the 2019 certification process is developed. This represents a lot of work by the team. Also look this fall for the YHI website to be refreshed as well as new paid advertising campaign for Open Enrollment.

As you will see later, there are three SOWs for approval and we also voted to recommend the release of the Enrollment Entity RFA, which upon approval, will be issued in July. The

Committee discussed two of the five 2019 Operational Goals and are supportive of these goals. We agreed with YHI leadership that the Retention and Enrollment goal, while very important, should not be tied to employee variable pay goals.

a) PY18 Enrollment Update, Customer Experience, and Appeals

Mr. Kelly said after some initial settling following Open Enrollment, effectuated enrollments are holding steady around 95-thousand as of the end of April. The average monthly premium is approximately \$492, and 88 percent of enrollments currently receive a tax credit, which is up about 2 points since the end of Open Enrollment. During Open Enrollment we saw a shift in metal tiers due to the CSR funding changes. In the months since, there has been little to no movement and we expect this distribution to remain relatively constant through the remainder of the year.

The Chair said he recalls ending in December with about 86,000 effectuated enrollments and we are up about 10,000. Do we expect to see a similar phase down over the course of the year as has happened in prior years? Mr. Kelly said enrollment does typically decline throughout the year, with the largest decline in the fourth quarter. We have seen enrollments holding relatively steady through the first five months of the year which is encouraging, but it might be too early to tell what the end of year decline might look like.

Mr. Kelly said in the months following Open Enrollment we were able to ramp down our temporary workforce without impacting our quality of service. Current metrics show a slight decrease in calls handled while average handle time is holding steady at about 10 minutes and speed of answer is under 3 minutes. This tells us that even though our team is small, they are efficient and knowledgeable. Process improvements and policy clarifications are already being made and incorporated into training as a result of lessons learned from Open Enrollment. These lessons learned and the technology improvements will set YHI up to provide continued improvement to the customer experience as we enter open enrollment in November.

Mr. Kelly said Your Health Idaho saw a significant increase in appeals early in the year that were driven by changes in enrollment dates and deadlines. This can be directly attributed to the shortened enrollment period. Now that Open Enrollment is over, the largest driver of appeals is Qualifying Life Events and Special Enrollment Periods, a trend we expect to continue for the next several months.

When it comes to appeals decisions, over 40 percent of appeals from January to May have been overturned. An overturned appeal means that the appeals team at YHI does not agree with the initial decision in our support center. By researching the most common overturned appeals we are able to identify areas for training and continued process improvements including improved notices, auto populating of forms to mitigate human error, adding a second review process, and improvements to QLE and SEP processes.

Mr. Shores said the issue agents and brokers are seeing now is the process is overshadowing the goal of putting a policy in place and keeping it there. Situations occurring now include individuals being delayed 30-90 days to get a policy enforced due to paperwork issues and concerns along those lines.

b) PY19 Open Enrollment Preparations

Mr. Kelly said as we prepare for the next enrollment season, one of our major focuses is continued improvement of our technology platform. In May, Your Health Idaho deployed our latest technology enhancement, aimed at improving the account creation process. By requiring more consumer-specific information, we hope to reduce the number of tickets regarding account linking issues, which is the single biggest driver of support tickets. The next enhancement is scheduled for July and it will build on the improvements to account linking. July will also see the implementation of the provider and formulary search however, this will not be visible to consumers until anonymous shopping begins on October 1. Future enhancements will focus on annual regulatory requirements and further improvements to the customer experience such as mobile optimization.

Mr. Shores asked if on the 1095A's, will YHI still be required to get those out even though the mandate is going away? Mr. Kelly said the mandate is still in effect, but the penalty will be zero. YHI is seeking guidance on what the operational requirements will be from CMS which is a little less than two years from now since the mandate is still in effect for Plan Year 2018. It remains unclear from CMS how to operationalize a zero-penalty requirement.

Mr. Kelly shifted to the Memorandum of Understanding (MOU) with the Department of Health and Welfare. DHW is a critical partner for YHI and performs APTC eligibility determinations, and related work, under this MOU. This proposed amendment extends the current term to July 31, 2019 and the costs are included in the approved FY19 budget.

Motion: Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve the DHW MOU in an amount consistent with the FY19 budget. **Second:** Mr. Shores.
The motion carried.

The Chair added that this partnership with DHW has been a huge success.

Mr. Kelly said another key piece of Open Enrollment preparations is staffing and training. This work falls into two primary areas. First are the preparations for hiring of our seasonal work force. One of the key elements to last year's seasonal hiring was ensuring that the seasonal workers had sufficient time for class room training and also time on the phones with a veteran buddy assigned to them to ensure their success. The second key learning from last year was the dedicated written team. We plan to continue to utilize the written team this Open Enrollment as we believe it has a significant halo effect across all YHI support teams. We have also finalized Open Enrollment support center hours which have an added degree of difficulty due to open enrollment plan selections both falling on a Saturday this year. With respect to our internal support center teams, we have continued to enhance the training platforms and are working to create a staffing skill matrix that can be used to shift team members to different support areas as customer needs dictate.

Mr. Kelly said Consumer Connectors continue to be YHI's best asset when it comes to helping Idahoans find insurance coverage, and we want to equip them with the best tools and information available. YHI recently developed a new online training course for

Consumer Connectors centered around Special Enrollment Periods and Qualifying Life Events. This was a direct result of the Open Enrollment Summit and the feedback received from agents and brokers, and has been received well so far by the agent and broker community. The fall in-person training dates have been finalized and shared, and the 2019 certification program is in development. As in years past, we expect the certification training to be available in mid to late August. Your Health Idaho participated as a sponsor of the Idaho Association of Health Underwriters conference in May. Our team enjoyed seeing some familiar faces and making new connections with agents from around the state.

Mr. Kelly said the focus for outreach in the coming year is all about partnerships and extending our reach to all corners of the state. We are looking at enhancing our rural connections by using partners in those key communities and providing them with information and materials to educate their clients, customers, and neighbors. We are also working with the Department of Labor to get information for their use during Rapid Response. This is when an employer goes through large-scale workforce reductions and reaches out to affected employees to inform them about their options. Our statewide events have been strong so far this year and will continue with summer races and farmer's markets, and fall sporting and community events. Events are currently planned in Coeur d'Alene and Idaho Falls with more to come.

Mr. Kelly said we are in the early stages of developing our public-facing campaign for the next enrollment season. YHI's broadcast advertising has played well for more than four years, but the time has come to retire the campaign that first introduced YHI to Idahoans. Now that we are a known entity and established, we are reviewing the messaging and tone that will most resonate with Idahoans. The new campaign will be finalized in the coming months and will be shared at the September Board meeting with advertising beginning in October as it did last year. In addition, we plan to update the look, feel, and navigation of Your Health Idaho.org. We hope to enhance the customer experience by modernizing our site and making it more accessible.

Mr. Kelly moved to the contracts that support the marketing, communications and outreach & education space. The first is Wind Rivers. Randy and Kerri Gardner provide training and education to our consumer connector network. They have been supporting the exchange from our early days and this SOW extends their contract through June 30, 2019. Costs are flat year over year at \$130,000 and are included in the approved FY19 budget.

Motion: Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve the Wind Rivers SOW #2 in an amount not to exceed \$130,000.00. This amount is included in the approved FY19 budget. **Second:** Mr. Shores. **The motion carried.**

Mr. Kelly said the next SOW is for Drake Cooper. Drake Cooper provides strategy, project management, creative services and paid media. The term is extended for another year, through June 30, 2019. The total cost for this coming year is \$558,000 which is an increase of \$63,000 over the prior year due to the advertising refresh mentioned earlier. These funds are included in the approved FY19 budget.

Motion: Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve the Drake Cooper SOW #2 in an amount not to exceed \$558,000.00. This amount is included in the approved FY19 budget. **Second:** Mr. Shores. **The motion carried.**

Mr. Kelly said finally, YHI's public affairs vendor, Risch/Pisca, serves as a liaison for state and federal policy and regulations. Their services have proven particularly valuable as the ever-changing policy landscape is navigated. This SOW extends their contract through June 30, 2019. Costs are flat year over year at \$60,000 and those funds are included in the approved FY19 approved budget.

Motion: Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve the Risch Pisca SOW #2 in an amount not to exceed \$60,000.00. This amount is included in the approved FY19 budget. **Second:** Ms. Henbest. **The motion carried.**

Mr. Kelly noted one additional request for approval, the Request for Applications, or RFA, associated with YHI's enrollment counselor entities. Assuming Board approval today, this RFA will be issued in July and applicants will be evaluated by a Proposal Evaluation Team in August with contracts in place by September 30. While CMS changed the requirement from two entities to only one in the Notice of Benefit and Payment Parameter (also known as the Final Payment Rules for 2019), YHI has kept the costs in the budget flat year over year. This will afford the maximum flexibility when evaluating applicants for the coming year. The total cost is \$258,000 and is included in the approved FY19 budget.

Motion: Mr. Edgington moved that the Board, as recommended by the Marketplace Committee, approve the release of the Enrollment Entity RFA and authorize the RFA Review Team to select the enrollment entities and authorize the Executive Director or the Marketplace Committee Chair to execute the Enrollment Entity contracts at an amount not to exceed \$258,000 collectively.

Second: Mr. Veloz. **The motion carried.**

The Chair asked who the entities were this past year. Mr. Kelly said St. Luke's and Idaho Primary Care Association.

c. Policy Update

Mr. Kelly said this week I was in Washington DC meeting with other state-based marketplace executives. We shared best practices and also had an opportunity to share our successes and lessons learned with Republican and Democratic leadership on the Hill. The meetings were very informative and it is clear that Idaho's success, focusing on local control, state flexibility, and fiscal conservatism, sets us apart from all other states. I was also able to meet with our federal delegation. Those meetings focused on YHI's ability to remain nimble in response to federal and state policy decisions and the importance of state flexibility. I also shared our continued success serving 100,000 Idahoans.

We continue to monitor activity at the federal level. While there has been plenty of buzz, no official rulings have come down on either the Association Health Plans or Short Term Limited Duration Plans, although it is anticipated the final guidelines will come down on

the Association Health Plans either today or early next week. Late last week, the Department of Justice stated that it does not intend to defend specific portions of the ACA in a federal lawsuit focused primarily on the individual mandate. While this does add to the uncertainty of the market, it will take time for the case to make its way through the courts. We will continue to assess any potential impacts to Idaho and our consumers.

The Chair said YHI has succeeded because it has stayed on course and kept its head down while all of this has been swirling around us. As a Board, we have discussed the impact of no mandate and we believe it will be a small number affected. There is a potential for a Medicaid expansion on the ballot this year, the Executive Order, the lawsuit that was just mentioned that may affect pre-existing conditions, and Association Health Plans. We have kept to our goal of serving Idahoans and be viable for 90,000 plus people. Making sense of the chaos we live in, does anyone have direction for YHI and how we continue to move forward.

Director Barron said YHI needs to stay to course while paying attention to all that swirls around it. There are numerous hurdles to overcome, and a knee jerk reaction could be detrimental. From DHW's perspective, we meet regularly and do scenario planning as new things come up. When there is a decision point, we should be relatively prepared.

Mr. Settles said the Finance Committee has looked at all of this and discussed it and all we can do at this point is continuing to be judicious and pile up cash in order to be prepared to respond to whatever happens.

Ms. Fulkerson agreed that if we keep our focus of serving Idahoan's and being judicious, we should be okay, at least in the short term.

Mr. Trexler said in prior years we have felt like there was uncertainty in many things, but this year has really piled it on. The department has the same goal of a stable market for major medical. The department continues to review each of these items as they come and the Department of Justice thing is really new and we are reviewing that and its impact. All these issues really affect all states and so the DOI gets a lot of information from the National Association of Insurance Commissioners and we are happy to keep everyone apprised of new developments.

Mr. Jeppesen agreed that there is so much uncertainty in the marketplace and BCI is keeping in close contact with Director Cameron and Mr. Trexler to understand how they are thinking about it and to give BCI guidance so that as a carrier, we are clear on what should be taken into consideration as we submit our rates. The thing that we have done here is created the best exchange in the country in terms of efficiency, operational effectiveness, and putting coverage into citizens hands. The exchange really serves a critical function of offering affordable coverage to citizens and particularly those that receive a subsidy. It is particularly difficult right now to predict the future because there are just too many variables. But going back to what Director Barron said, it would be really prudent for YHI to continue scenario planning and YHI is in a very good position financially, as noted by Mr. Settles, which allows us to weather the storm and ultimately providing affordable insurance to Idahoans.

Mr. Shores asked Mr. Trexler for an update on where the DOI is with the negotiations with CMS and the Non-ACA compliant plans. Mr. Trexler reiterated that we do have a great exchange and great working relationships with all the parties and many other states working under the Federal exchange are at their mercy on deadlines and other decisions. On the state-based plans and the Executive Order, it takes time to negotiate with the feds and they are not particularly quick on getting back to us. We have worked through each issue and our first attempt has been modified and it has been reported there are just one or two issues that are still being worked on. The current deadline is the end of June and our expectation is we can have something to release on that date.

Ms. Henbest said that all the scenario planning takes a huge amount of time and energy to do the work, but we can't not do it either. Is there an amount of scenario planning that is too much? The Chair said he would come back to that question.

Mr. Erstad, who also serves as the High-Risk Pool Chairman, said that the high-risk pool was changed a year ago so that it became more of a reinsurance mechanism at the beginning of the year. This serves more than 124 people based on the new diagnosis codes as well as those that were grandfathered in (about 39 people). This is close to about a 2 percent savings in rates for the carriers by having this in place and the hope is this helps keep overall rates down.

Mr. Settles added that the scenario planning has been done and is always at the ready to be modified based on what comes down so that we can quickly determine what the impact will be.

Dr. Livingston said he is very pleased with the exchange and what it has done for the people of Idaho. That being said, he asked the carriers to explain the impact the exchange has had on rates and on the cost of services, because it just keeps climbing as it did before the exchange was put into place.

Mr. Edgington said what they have seen is a flattening of rates in the large and small employer segments, and in some places dropping. The thing that could be better is if we could have a larger percentage of people being covered by these plans. If the people on the sidelines would come in, it would all level out. The individual rates are much higher now but if all of these pieces fold into this, we will likely see the results we were hoping for when this started.

Dr. Livingston said the cost of care is really going back up and people can't pay the copays and deductibles. While the cost of insurance may be going down, the cost of care is going up and that needs to stabilize as well.

Mr. Shores asked about the enrollment period being shortened and asked if anything has been done to lengthen that. Mr. Kelly said CMS determines the enrollment period, although states may have some flexibility in that. But at this point, dates for this coming year are set, and any future changes need to be discussed now for those years in the future.

The Chair reiterated what was discussed and said this year we are staffed, we are ready to go and what we can do the following year can be discussed. We also have a new Governor coming in and we have money in the bank. We have scenario planned, we have somewhat identified who the outliers are, we have done everything we can and should stay the course for the roughly 100,000 people we are serving. If we get a big hit at any point, we will sit down and figure it out.

10. GOVERNANCE

Ms. Henbest, Chair of the Governance Committee, said this quarter the Governance Committee focused on three areas: Personnel, the 2019 Operational Goals, and the Privacy & Security Policies. As it relates to Personnel, the Governance Committee discussed organizational structure following the recent resignation of the Director of Communications, and this really provided some opportunities to look at the existing skills and determine what is needed for the organization moving forward. The restructuring of roles was completed with little effect on the workstreams. We expect the search for a Senior Manager Marketing and Communications to conclude at the end of June.

The Committee also reviewed the results of the annual Employee Engagement Survey and we were very pleased with the results, with an average improvement of the overall score by 3 percent from last year. This places the organization in the 87th percentile nationally. We were also encouraged to see the improvements in employee engagement, particularly the areas of employee recognition and development.

The Committee also evaluated the 2019 Operational Goals, particularly the areas of customer experience and retention. The Committee was very cautious about focusing on the enrollment and retention goals, due in part to all of the things that remain unknown, and determined that employee compensation should not be tied to enrollment goals.

We are very happy with the Commitment to improve the customer experience and with the addition of the Net Promotor Score, but don't want to see that goal weighted heavily in the first year. And finally, the Governance Committee also reviewed the Privacy & Security policies as required by CMS.

a. 2018 Employee Engagement Survey

Mr. Kelly said Your Health Idaho again utilized the Gallup Q12 survey to measure employee engagement. The organization saw a 3 percent increase in average score and moved into the 87th percentile. Two years ago, YHI created the Employee Engagement Task Force, or EETF. The EETF is tasked with addressing the key areas of opportunity identified by the Gallup Q12 Survey and suggesting initiatives to invest in our team members.

Over the past two years, the EETF focused on three specific areas from the survey. The first is "There is someone at work who encourages my development." This area saw a 6 percent increase over last year. The second area is "At work, my opinions seem to count." This also achieved a 6 percent increase year over year. The third area was "I know what is expected of me at work." This statement saw only a 1 percent increase year over year.

We believe that this lower increase is largely due to the fact that the initial score was fairly high and so improvements would be more measured.

We are encouraged by the improvements we have seen and look forward to hearing from the EETF on their recommendations for the coming year.

b. FY18 Operational Goals Review

Mr. Kelly said as a reminder, the current financial year ends on June 30. All of the goals have either been paid out or will be paid out between the 80 and 100 percent thresholds. The first goal was Idahoans Experience, which was a two-part goal that included timeliness and accuracy of 1095A's as the first part of the goal. 100 percent of 1095A's were delivered prior to the deadline with only a correction rate of 2.5 percent. Case resolution timeline was the second part of this goal and it is currently trending close to the 80 percent threshold and this goal period ends at the end of June.

The second goal is Retention and Enrollment, which was measured as of April 1st. At that time, YHI had 92,000 enrollments and the goal was paid out at 100 percent. The third goal was Risk Management, which was a two-part goal. The first part was ensuring improvement of YHI's brand awareness and the positivity of media coverage. The second part was a reduction in incidents related to PII as reported to CMS. Both of those components were achieved at the 100 percent threshold and those goals were paid out.

The Low Cost Promise, which is a goal that measure our ending cash balance at the end of the financial year, is also trending at 100 percent, but pending the results of YHI's financial audit, will be paid in September. Finally, Employee Engagement had an increase of 3 percent, with an overall score of 4.17. It is important to remember a score of 4 represents agree and 5 represents strongly agree. That goal was paid at 84 percent.

Mr. Kelly said in March, we talked about our strategic goal of providing a Flawless Customer Experience. We did not recommend any changes to that goal and we continue to work towards a Flawless Customer Experience which is measured by the number of touches it takes to resolve an issue. That goal will be achieved when only five percent of our customers require more than two touches to resolve their issue and we are within a few percentage points of reaching that goal.

c. FY19 Operational Goals

Mr. Kelly said the FY19 operational goals were shared in the Committee meetings and have been vetted by the Your Health Idaho management. While the goals remain the same, changes have been made to how we will measure our success and what tactics we will use to achieve them. These changes were made to reflect the overall maturation of YHI and to ensure we are incenting the right behavior in the teams at YHI.

For the Idahoan's Experience goal, we have broken it into two parts: reducing the amount of linking tickets during open enrollment and improving our overall Net Promoter Score, or NPS.

Linking of accounts between DHW and YHI was the single biggest sticking point during our last open enrollment and this goal measures the decrease in tickets compared to last year's open enrollment. The 100 percent threshold would require a 50 percent reduction in that ticket volume.

NPS is relatively new to YHI, and we are still working to establish a baseline. NPS is the gold standard in support center effectiveness measures and we are pleased with our initial results. However, we do not have experience with NPS during open enrollment and therefore the baseline could be inaccurate due to the time periods in which it was set. As such, the Idahoans' Experience goal is weighted heavily towards linking resolution for FY19. We are proposing a 90/10 split between linking and NPS, respectively.

Mr. Kelly said Retention and Enrollment remains a key indicator of our performance. In previous years, and as discussed today, the Board has expressed concern around an enrollment goal given the many external factors outside of YHI's control that will influence both retention and enrollment. This is a critical measure for YHI's success and we have set targets to reflect the known impacts to the market such as the individual mandate, association health plans, and short term limited duration plans. However, since there remain significant external forces on enrollment and retention, it is recommended that employee compensation not be tied to the Retention and Enrollment goal for this coming year.

Risk Management will continue to be a focus for Your Health Idaho in 2019. Social engineering is the most common cause for PII loss and we want our team to be aware of the risks that Social Engineering may pose to Idahoan's information. To increase awareness of social engineering Your Health Idaho will deploy six phishing campaigns over the course of the financial year. This goal is already underway and the first phishing email was sent in May. The goal is measured by the click rate on the final campaign over the goal's period of performance.

Mr. Kelly said the last two goals are Low Cost Promise and Employee Engagement. The Low Cost Promise goal will again reflect our conservative fiscal values. However, this year Your Health Idaho will measure success by focusing on our year end cash balance as it relates to operating expenses and will not take into account the market impact of possibly higher than expected premiums. This ensures we are holding ourselves accountable for things that are within our control and incenting the proper behavior at YHI.

Finally, we want to continue to build on the success of the employee engagement survey and have set lofty but achievable goals for improvement in terms of percentile rank. We will continue to deploy one COMPASS value each month and promote peer to peer recognition within the organization as well as tackling specific areas of improvement as identified by the Gallup Q12 survey.

Motion: Ms. Henbest moved that the Board, as recommended by the Governance Committee, approve the FY19 Operational Goals as presented today. **Second:** Mr. Erstad. **The motion carried.**

d. Privacy & Security Policy Updates

Mr. Kelly said as Ms. Henbest mentioned earlier, CMS guidelines require Your Health Idaho to review our Privacy and Security Policies. These policies cover everything from protecting PII, to cell phone use, to data retention. All 22 policies were reviewed and each had minimal changes to align with CMS requirements and reflect organizational maturation and structure.

Motion: Ms. Henbest moved that the Board, as recommend by the Governance Committee, approve the revisions to the Privacy & Security Policies as presented today. **Second:** Mr. Erstad. **The motion carried.**

e. Annual Board Conflict Disclosure

Mr. Kelly it's time for the annual Board conflict disclosure form and as of this morning, we are about 95 percent complete with that. The deadline is June 29th. If you haven't completed those forms, please email your form to Ms. Fulton if you haven't done so already prior to the deadline.

11. FINANCE

Mr. Settles said the Finance Committee looked at the revenue stream which is impacted by three things: enrollment, which has remained relatively flat; the price of a policy, which has gone up; and the assessment fee, which took effect this calendar year and is affecting our revenue streams positively.

The Committee did discuss the potential impacts of Medicaid expansion from a revenue standpoint and how Your Health Idaho is planning for the possible scenarios. The Committee will continue to monitor those risks and opportunities as we receive more clarity.

The Committee had a discussion around changes to the Low-Cost Promise goal as it relates to goals for the staff as well as how it affects the assessment fee and if and when we would decide to revisit it. The goal is not to build up as much cash as possible, it is to be fiscally responsible and ensure we can take care of our customers and the organization. We are also aware of, and it is one of our strengths, to keep that in balance and part of the performance metric is to ensure we are delivering a good product to our customers.

Finally, the Committee discussed the upcoming financial audit which will begin in mid-July and we expect to review the results in September.

a) Financial Results through March 31, 2018

Mr. Kelly said as of March 31, 2018, YHI has over 97,000 effectuated enrollments which is about a 95 percent effectuation rate. As mentioned, that effectuation rate is one of the highest in the country and is due in no small part to YHI's communication and outreach efforts around moving consumers' mindset from coverage to care as well as increasing health literacy.

YHI's Assessment Fee Revenue for the year is \$380K favorable, driven by both higher than anticipated premiums as well as enrollments.

The financial statements for March 31, show Net Operating Income favorability of \$1.6M driven by overall revenue favorability of \$430K and expense favorability of \$1.2M.

In addition to the Assessment Fee Revenue favorability of \$380K, YHI also has Other revenue favorability of \$50K. Other revenue includes both interest income on our CDARs investment as well as digital ad sales.

Operating expense favorability of \$1.2M is driven by Employee and Employee related expenses of \$850K primarily due to headcount favorability and the timing of backfilling open positions. Outreach and Education favorability of \$77K is due to the shortened open enrollment period and automation in the noticing space. Eligibility and support services are favorable by \$100K and finally, professional services and facility infrastructure costs round things out with \$185K of favorability.

Motion: Mr. Settles moved that the Board, as recommended by the Finance Committee, approve the financial results through March 31, 2018, as presented today. **Second:** Mr. Veloz. **The motion carried.**

b) Financial Forecast and Sustainability

Mr. Kelly said the forecast for the remainder of FY18 shows favorability through June 30, 2018 is expected to be driven by the same areas as mentioned on the March 31 financial statements. Overall, we expect to end the financial year with \$2.4M favorable in Net Operating Income.

Overall financial sustainability, measured by our cash balance, continues to align with previous projections. We currently have almost \$11M in cash reserves and we continue to monitor this on a daily basis. We do believe that changes in state or federal policy may require additional capital investment and are pleased that we have cash reserves should the need arise.

Mr. Veloz added that as a member of the Finance Committee, he appreciates that YHI does a tremendous job of providing the financial information to the group and he is confident that going forward, in spite of what may happen externally, YHI does a great job of providing the financial information based on what we can control. As a result of that, Your Health Idaho should be able to respond quickly to whatever happens because they also look at the potential impacts and what the results of those impacts may be.

The Board took a break at 10:25 a.m. and reconvened at 10:37 a.m. Mr. Veloz left the meeting at 10:27 a.m.

12. EXECUTIVE SESSION

Motion: The Chair moved that the Committee, pursuant to Idaho Code Section 74-206 (1), convene in Executive Session to consider the evaluation of employees pursuant to Idaho Code 74-206 (1) (b).

Executive Session Roll Call Vote: Mr. Erstad called a roll call vote and determined that The Chair, Mr. Settles, Mr. Shores, Ms. Vauk (via teleconference), Mr. Jeppesen, Dr. Livingston, Ms. Henbest, Mr. Edgington, and Ms. Fulkerson were present, resulting in a quorum.

The Committee entered into Executive Session at 10:40 a.m. and reconvened at 11:32 a.m. No final actions nor decisions were made while in Executive Session.

Motion: Ms. Henbest moved that the Board approve the merit increase of 3.5 percent for the Executive Director, effective July 1, 2018, which funds are included in the Fiscal Year 2019 budget. **Second:** Mr. Erstad. **The motion carried.**

Motion: Ms. Henbest moved that the Board approve variable pay of 10 percent, which funds are included in the Fiscal Year 2019 budget, for achievement of Fiscal Year 2018 Operational Goals for the Executive Director and authorize the Board Chair to release payment of funds once goal achievement is complete. **Second:** Mr. Erstad. **The motion carried.**

Motion: Ms. Henbest moved that that the Board approve the overall Fiscal Year 2019 Executive Director Variable Pay Weighting of 40 percent for Idahoans Experience, 0 percent for Retention and Enrollment, 20 percent for Risk Management, 20 percent for Low Cost Promise, and 20 percent for Employee Engagement, which goals were presented today. **Second:** Ms. Fulkerson. **The motion carried.**

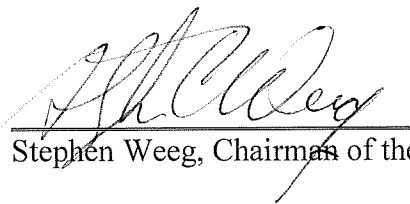
13. NEXT MEETING

The Chair said the next meeting will be held on September 21.

14. ADJOURN

There being no further business before the Board, the Chair adjourned the meeting at 11:36 a.m.

Signed and respectfully submitted,



Stephen Weeg, Chairman of the Board